

Joint Village/Town Negotiation Committee Minutes
March 6, 2013

Town representatives present: Keith Seward, Bob Elkins and Dan Gartzke. Village representatives present: Jim Salter, Kevin Budsberg and Dan Gartzke. Also in attendance: Village Administrator Nicholas Owen, Greg Thoemke and Peggy Kruse.

1. Call to Order - Meeting was called to order at 6:04 p.m. by Chair Jim Salter
2. Announcement: All cell phones are to remain silent during the meeting.
3. Seat Replacement of Town Representative: K. Seward introduced Dale Hustad as Gof Thomson's replacement as a resident member of the committee.
4. Approval of Agenda: Motion by D. Gartzke to approve the agenda as presented, K. Budsberg second by. Motion carried.
5. Approval of Minutes of 01/07/2013 Meeting: Motion by K. Seward, second by K. Budsberg to amend the minutes to clarify motions, correct omissions and correct minor typographical errors. K. Seward proposed the following:
 - a. Under Recommendations to Village and Town Boards for Approval of Cooperative plan: bullet #'s 5&6: "Revisions: Under Recommendations to Village and Town Boards for Approval of Cooperative plan: bullet #'s 5 & 6. Bullet #5 shall read: The committee discussed the Town's request to cap their contribution to the Village at \$25,000 per year maximum. Seward stated that a cap is necessary in order to limit the Town's liability, just as the Village had put a limit on its liability set at the approximate level of its prior MOE. He stated this is a fairness issue. There was significant discussion, initiated by D. Gartzke, about some fair ratio of relative contribution levels. Gartzke came up with a ratio 1/6:1. The Village representatives opposed the cap as it limits the revenue potential for future funding. Town representatives presented the cap because the Village did not commit to additional funding for the Library in the Cooperative Plan. After discussion, Motion by Kevin Budsberg to set a cap at \$35,000 until occupancy of the Library, the cap would then expire when the new library is built or if after 10 years no library is built, seconded by Gartzke. Seward stated he could not support that proposal since it makes no sense to eliminate a cap just when expenses for a new library will be higher than with existing library. From the Town's perspective it makes no sense. Budsberg then stated to Seward, "Then amend the motion." Motion was made by Keith Seward to amend the Budsberg motion to set a cap @ \$25,000 per year allowing for an increase in the cap of 1/6 of \$1 in town contribution for every \$1 of increase in Village contribution above the \$150,703, second by Gartzke. Gartzke questioned whether the revenue cap, under this motion, would kick in at time new library was built. Nic Owen replied it would kick in immediately upon CBA approval. Gof Thomson objected to the escrow roll over for 2nd ten years payment to the Village. He felt this was excessive Town payment to Village and argued it would be ok if we did not approve the CBA but asked for an extension and took our time because we would still have time to revise the CBA and have the \$ issues kick in by 2014. Seward noted that the cap was also a quid pro quo for the Town's granting the escrow roll over to the Village and was needed in order to limit the Town's liability just as the Village has done. The library expenses will grow greater when a new Library is built and it makes no sense to remove a cap when a new library is built and when its expenses, translated onto revenues sharing, are increasing for the Town. The amended motion carried with

Gof Thomson opposing.

- b. Bullet #6 shall read; Change \$10,00 to **\$10,000**.

Discussion: D. Gartzke asked how the minutes could show that several Village representatives thought the amendment to the original motion eliminated the cap when the library was built. K. Seward responded by clarifying that during the discussion portion of the last meeting it was stated several times that from the Town's perspective it did not make sense to drop the cap at the time expenses were expected to go up. Seward went on to say that Nic, Mark Roffers, and the Town Representatives present thought the revenue cap remained after the library was built. Seward was not clear on how the Village representatives got the impression that the cap would be removed. K. Budsberg recalled that when the motion was amended, the language did not address whether the revenue cap remained or was eliminated at the time the library is built. J. Salter stated that he was confused and thought that the cap was eliminated after the new library was built. He also mentioned that the way the proposed amendment still did not address this issue. K. Budsberg stated that the committee does not vote on intent of a motion only the motion that is presented and he is satisfied with the way his motion is reflected in the minutes.

There were no additional comments and J. Salter asked the committee to vote on the motion to approve the amendment to revise the minutes. Motion carried unanimously.

J. Salter moved to approve the minutes as amended, K. Budsberg 2nd. Discussion: K. Budsberg asked that his name be spelled correctly, should be "Budsberg". Motion carried unanimously.

6. Consider Committee Chair Appointment: K. Seward reminded the committee that the intent of the group was to change the committee chairperson annually. Seward noted that J. Salter has chaired the committee for two years. J. Salter moved to nominate K. Seward as Chair, D. Hustad 2nd. Motion carried with K. Seward abstaining.
7. Discussion Existing Cooperative Boundary Agreement:
- a. Revenue Sharing Cap: J. Salter reiterated that he thought the revenue sharing cap would be removed when the library is built. Salter explained that it was originally his intent that per person the cost to use the library should be the same for both Village and Town residents. There was a formula created to do that, but the formula changed when the Town requested that the revenue be added to the library's budget and not the general fund. Salter further explained that as soon as we hit a limit, any limit the calculation is thrown out of whack, defeating the whole idea that we are basing the revenue sharing on usage. He felt that putting a limit on this calculation is contrary to the premise of funding. D. Gartzke felt that by basing the calculation on use, it incorporates an inherent cap by tying the calculation to the proportion of town resident use. To put a dollar cap on it, could have a future affect of the Town not contributing to the budget in about the same proportion as the town residents use the library. Dan gave the example of using a \$25,000 shared revenue cap, residents using the library 22%, and a library budget of \$300,000 the shared use percentage would be lower than 22% which would defeat the basic principle intent that town residents would contribute proportionately to their use of the library.

N. Owen proposed using a different formula for a calculation that would do away the automatic escalation. Owen proposed using the following calculation:

$$\begin{aligned} & \text{Total cost for the library} \\ & \times \text{Town circulation} \\ & - \text{Amount Library receives from TNG residents in County Tax} \\ & = \text{Revenue Sharing Amount (recalculated annually)} \end{aligned}$$

K. Seward noted that this was the current calculation. Seward expressed concern that based on government's propensity to spend whatever comes in the door rather than manage it, our number would go up to some significant event and the numbers that were put together for the Village's discussion showed that if the Village did not increase their proportion over the life of the agreement, the Town would end up paying 88% of the library costs which is exactly why Seward felt a cap was needed.

Salter suggested that for calculating the revenue sharing payment, you would be starting with \$150,000 and adding \$17,500 so the next year's budget that you are calculating 23% of would be \$167,500. Salter suggested that the calculation should be based on the difference. It should be added on to the Village's contribution.

Example:

| Year | Village Contribution | Town Contribution | Operating Budget |
|------|----------------------|-------------------|------------------|
| 1 | \$150,000 | \$17,500 | \$167,500 |
| 2 | \$150,000 | \$19,045 | \$169,045 |
| 3 | \$150,000 | \$20,945 | \$170,945 |

| Operating Budget | Town Circulation | | Less Town Taxes to the County | New Operating Budget |
|------------------|------------------|----------|-------------------------------|----------------------|
| \$167,500 | 23% | \$38,525 | -\$36,980 | \$169,045 |
| 169,045 | 23% | \$38,880 | -\$36,980 | \$170,945 |

| New Oper. Budget | Less Village Contribution | New Town Contribution |
|------------------|---------------------------|-----------------------|
| \$169,045 | \$150,000 | \$19,045 |
| \$170,945 | \$150,000 | \$20,945 |

K. Budsberg suggested:

Amount paid = % circulation x Current year's village support. Under this formula, you should avoid the compounding operating budget.

K. Seward maintained that the cap allows the Village to increase the Town's contribution by increasing their contribution amount. In other words, the revenue sharing would be in place until the Town's contribution reaches \$25,000 at which time the Village can decide to increase their contribution at a 1/6th of a dollar to 1 ratio. K. Seward suggested using a flat number that starts where we are today and has an escalator. D. Gartzke noted that by doing that, you would not be maintaining the proportionate payment based on use. Seward agreed that this would waive the whole concept of the town's proportionate use.

Nic explained that he was trying to keep the payments in proportion to their use.

In K. Seward's opinion unless the Town can limit their liability to their taxpayer, the agreement would not go through.

D. Gartzke felt that the only way to limit the liability on both sides would be to use a calculation based on use.

K. Budsberg moved to revisit the calculation at the next meeting, D. Hustad 2nd. Motion Carried.

b. Village Review of Attorney's Concerns:

J. Salter reported that the Village had a closed session with their attorney to address his concerns. They asked the Attorney to mark up a copy of the CBA with his suggestions, considering the Village resident's best interests, and return a marked up copy to the Village for consideration. D. Gartzke noted that their board has not met nor agreed on the revisions. They were scheduled to meet 5/6 but the meeting was cancelled due to the snowstorm. The last changes that M. Roffers made are highlighted in yellow.

K. Budsberg moved to postpone review of the CBA until the next Joint Negotiation meeting, J. Salter 2nd. Motion carried.

8. Consider and Appoint Alternate Joint Negotiation Members by Town and Village Boards: K. Seward explained that when D. Hustad was asked to continue with negotiations it might be a good idea to appoint alternates so that negotiations can continue when someone is not able to attend a meeting. Without objection, each side will consider the proposal and decide at the next meeting.
9. Consider Holding Joint Negotiation Meetings at the Town Hall for the Duration of Negotiations: K. Seward explained that based on the confusion of previous motions, it would be advisable to hold the meetings where they can be recorded. Seward suggested holding future Joint Negotiations meetings at the Town Hall and have them voice recorded. K. Budsberg moved to hold future meetings at the Town Hall, J. Salter 2nd. Motion carried.
10. Set Target Meeting Schedule Through to Village Board Approval of Cooperative Boundary Agreement: without objection, the next meeting will be at the Town Hall on April 17 at 6 p.m.
11. Adjourn: Motion by D. Hustad to adjourn, second by Keith Seward. Motion carried at 7:25 p.m.

Patricia I. Salter, Clerk Treasurer
Town of New Glarus